



## POSITION STATEMENT

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### Title: Medicaid Expansion in Colorado

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Effective Date: November 29, 2012

Status: Approved

Originated by: CNAHCA

Adopted by: Colorado Nurses Association

**Purpose:** Medicaid provides critical health coverage for hundreds of thousands of Coloradans and is an essential part of our health care system. The Colorado Nurses Association believes that Colorado's Medicaid program should be improved, strengthened, and expanded to better serve Coloradans who need it most.

**Statement of CNA Position:** We support the expansion of Medicaid to all individuals under age 65 who are at or below 138% of the federal poverty level (FPL). 138% of the FPL equates to \$15,415 annual income for an individual.

**History/Previous Position Statement:** NA

**Supportive Material:** Under the Affordable Care Act, everyone is required to have health insurance beginning in 2014, and the law includes affordability protections designed to insure that people up to 400% of FPL can comply with this requirement. Affordability protections include extending Medicaid eligibility to individuals and families with incomes under 138% of FPL and offering premium tax support for the purchase of private health insurance for people with incomes between 100% - 400% FPL. The ACA assumed the Medicaid expansion, and the law includes a provision which says that people with incomes under 100% of FPL, or \$11,170 for an individual, are not eligible for premium tax credits. This means that if Colorado does not act to extend coverage, the lowest income people will be left without coverage, because it is unlikely that they will be able to purchase private health insurance without assistance. In 2010, the average total single premium in Colorado's Individual market was \$4,630.

There are economic incentives for expanding Medicaid as expansion is funded by nearly free federal money. Federal funds are available to support the expansion of Medicaid and if the Colorado legislature chooses to extend coverage, the state will receive 100% of the cost of doing so from the federal government through federal fiscal year 2017. After 2017, Colorado will never pay more than 10% of the cost of serving these additional Coloradans. Medicaid expansion will reduce the cost of uncompensated care for the nearly 16%, or one in six, of Colorado's population that is uninsured by reducing the numbers of uninsured. Uncompensated care covered by hospitals in 2011 totaled \$1.4 billion as reported by the Colorado Hospital Association. This cost must be absorbed by the hospitals which then

results in reduction in services that can be provided, or is shifted to private insurers which results in higher premium costs for society.

The use of Accountable Care Collaborative Organizations (ACC) to manage the use of health care services by the population currently covered by Medicaid benefits has demonstrated the ability to contain costs while maintaining quality. The Colorado Department of Health Care Policy and Financing (HCPF) implemented an ACC project in June 2011. HCPF submitted their first annual report on the project to the Joint Budget Committee on November 1, 2012. The report highlighted three areas of key performance indicators:

1. Reduction in inpatient hospital readmissions: ACC enrolled members experienced an 8.6% reduction in hospital readmissions.
2. Reduction in Emergency Room Utilization: although there was an overall increase in utilization, use by ACC enrollees increased 1.2 percentage points less than use by non-enrollees, for an increase of 0.23% for ACC enrollees compared to an increase of 1.47% for non-enrollees.
3. Utilization of High-Cost Imaging Services: ACC enrollee use rates decreased 3.3% more than the use by non-enrollees.

Findings in this report also included a reduction in rates of preventable hospitalizations and readmissions for clients with asthma and clients with diabetes. Additionally, prescription drug use for medications to manage hypertension increased state-wide. This minor short-term increase in expenditure is associated with significant long-term benefits of prevention of serious cardiovascular illness, renal disease, and other secondary conditions of hypertension that are far more costly to treat.

In early February 2012, HCPF, projected gross program savings of approximately \$20 million for FY 2011-2012. However, based on results from the first year of operations, HCPF identified an approximately \$30 million in program savings.

**Recommendations:** The Colorado Nurses Association urges the 2013 legislature to take the opportunity to extend Medicaid coverage to low income people who are not eligible today.

The Colorado Nurses Association urges the Colorado Legislature to take action to expand Medicaid to all individuals under the age of 65 who are at or below 138% of the Federal Poverty Level. We further urge the Colorado Legislature to recognize APRNs as independent providers of primary care to Colorado's Medicaid population.

**Summary:** Evidence supports that the Accountable Care Collaborative Organization model for managing the healthcare needs of the Medicaid population is exceeding its goals. The Colorado Nurses Association supports the expansion of Medicaid as designed in the Affordable Care Act, as we believe that this expansion will increase access to care, improve utilization of health care services, promote the health of Colorado's most vulnerable population, while controlling and reducing costs.

Evidence also supports that registered nurses are part of the solution in providing access to care for the increased number of at risk individuals enrolled as a result of the expansion of Medicaid. The literature has repeatedly described high-quality patient outcomes when advanced practice registered nurse (APRN) providers manage patient care. Nurse managed clinics provide primary and specialty care with an emphasis on health promotion, disease prevention, and a focus on the family unit and community. Fully integrating the contributions and skills of APRNs into models for managing the healthcare needs of an expanded Medicaid population is a vital step toward achieving high value healthcare for all Coloradans.

### References

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